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AMENDMENTS TO LB 146

1 1. Strike the original sections and insert the following
2 new sections:

3 "Section 1. Sections 1 to 9 of this act shall be known
4 and may be cited as the Nursing Faculty Student Loan Act.

5 Sec. 2. For purposes of the Nursing Faculty Student Loan
6 Act:

7 (1) Department means the Department of Health and Human
8 Services Regulation and Licensure; and

9 (2) Masters or doctoral accredited nursing program means
10 a postgraduate nursing education program that has been accredited
11 by a nationally recognized accrediting agency and offered by a
12 public or private postsecondary educational institution in
13 Nebraska.

14 Sec. 3. To qualify for a loan under the Nursing Faculty
15 Student Loan Act, a student shall (1) be a resident of Nebraska,
16 (2) be enrolled in a masters or doctoral accredited nursing
17 program, and (3) agree in writing to engage in nursing instruction
18 in an approved nursing program offered by a public or private
19 postsecondary educational institution in Nebraska.

20 Sec. 4. Loans may be made by the department under the
21 Nursing Faculty Student Loan Act for educational expenses of a
22 qualified student who agrees in writing to engage in nursing
23 instruction in an approved nursing program offered by a public or
24 private postsecondary educational institution in Nebraska for two

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1 years of full-time nursing instruction for each year a loan is
2 received, with a maximum of six years of nursing instruction in
3 Nebraska in return for three years of loans under the act. Loans
4 shall be subject to the following conditions:

5 (1) Loans shall be used only for educational expenses for
6 a masters or doctoral accredited nursing program. The use of loan
7 funds by the recipient is subject to review by the department;

8 (2) Each loan shall be for one academic year;

9 (3) A loan recipient shall not receive more than five
10 thousand dollars per academic year and shall not receive more than
11 fifteen thousand dollars under the act;

12 (4) Loans shall be forgiven at the rate of five thousand
13 dollars loaned per two years of full-time nursing instruction in
14 Nebraska;

15 (5) If a loan recipient discontinues enrollment in the
16 masters or doctoral accredited nursing program before completing
17 the program, he or she shall repay to the department one hundred
18 percent of the outstanding loan principal with simple interest at a
19 rate of one point below the prime interest rate as of the date the
20 borrower signed the contract. Interest shall accrue as of the date
21 the borrower signed the contract. Such repayment shall commence
22 within six months after the date he or she discontinues enrollment
23 and shall be completed within the number of years for which loans
24 were awarded;

25 (6) If, after the loan recipient completes the masters or
26 doctoral accredited nursing program and before all of his or her
27 loans are forgiven under the act, he or she fails to begin or

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1 ceases full-time nursing instruction pursuant to the loan
2 agreement, he or she shall repay to the department one hundred
3 twenty-five percent of the outstanding loan principal with simple
4 interest at a rate of one point below the prime interest rate as of
5 the date the borrower signed the contract. Interest shall accrue
6 as of the date the borrower signed the contract. Such repayment
7 shall commence within six months after the date of completion of
8 the program or the date the loan recipient ceases full-time nursing
9 instruction, whichever is later, and shall be completed within the
10 number of years for which loans were awarded; and

11 (7) Institutions which offer a masters or doctoral
12 accredited nursing program may act as agents of the department for
13 the distribution of loans to eligible students.

14 Sec. 5. The Nursing Faculty Student Loan Cash Fund is
15 created. The fund shall consist of grants, private donations, fees
16 collected pursuant to section 6 of this act, and loan repayments
17 under the Nursing Faculty Student Loan Act remitted by the
18 department to the State Treasurer for credit to the fund. The fund
19 shall be used to administer the act and for loans to qualified
20 students pursuant to the act. The act shall be carried out with no
21 appropriations from the General Fund. Any money in the fund
22 available for investment shall be invested by the state investment
23 officer pursuant to the Nebraska Capital Expansion Act and the
24 Nebraska State Funds Investment Act.

25 Sec. 6. Beginning January 1, 2006, through December 31,
26 2007, the Department of Health and Human Services Regulation and
27 Licensure shall charge a fee of one dollar, in addition to any

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1 other fee, for each license renewal for a registered nurse or
2 licensed practical nurse pursuant to section 71-1,132.20. Such fee
3 shall be collected at the time of renewal and remitted to the State
4 Treasurer for credit to the Nursing Faculty Student Loan Cash Fund.

5 Sec. 7. The department has the administrative
6 responsibility to track borrowers and to develop repayment tracking
7 and collection mechanisms. The department may contract for such
8 services. When a loan has been forgiven pursuant to section 4 of
9 this act, the amount forgiven may be taxable income to the borrower
10 and the department shall provide notification of the amount
11 forgiven to the borrower, the Department of Revenue, and the
12 Internal Revenue Service if required by the Internal Revenue Code
13 as defined in section 49-801.01.

14 Sec. 8. The department shall annually provide a report
15 to the Governor and the Clerk of the Legislature on the status of
16 the program, the status of the borrowers, and the impact of the
17 program on the number of nursing faculty in Nebraska. Any report
18 which includes information about borrowers shall exclude
19 confidential information or any other information which
20 specifically identifies a borrower.

21 Sec. 9. The department, in consultation with approved
22 nursing programs in Nebraska, shall adopt and promulgate rules and
23 regulations to carry out the Nursing Faculty Student Loan Act.

24 Sec. 10. Section 71-163, Reissue Revised Statutes of
25 Nebraska, is amended to read:

26 71-163. (1) The Professional and Occupational
27 Credentialing Cash Fund is created. Except as provided in section

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1 71-172.02 and section 6 of this act, the fund shall consist of all
2 fees, gifts, grants, and other money, excluding fines and civil
3 penalties, received or collected by the department under sections
4 71-162 to 71-162.05.

5 (2) The department shall use the fund for the
6 administration and enforcement of such laws regulating the
7 individuals and entities listed in section 71-162 except for a
8 percentage of the fees credited to the Nebraska Regulation of
9 Health Professions Fund pursuant to section 71-6228.

10 (3) Any money in the Professional and Occupational
11 Credentialing Cash Fund available for investment shall be invested
12 by the state investment officer pursuant to the Nebraska Capital
13 Expansion Act and the Nebraska State Funds Investment Act.

14 (4) Any money in the separate fund authorized in section
15 71-162 as it existed prior to July 1, 2004, and any money in the
16 Acupuncturist Fund, the Athletic Trainer Fund, the Board of
17 Registration for Environmental Health Specialists Fund, the
18 Cosmetology Cash Fund, the Hearing Aid Fund, the Massage Therapy
19 Fund, the Medical Nutrition Therapy Fund, the Mental Health
20 Practice Fund, the Nebraska Pharmaceutical Fund, the Nurses'
21 Licensing Cash Fund, the Nursing Home Administration Fund, the
22 Occupational Therapy Licensing Cash Fund, the Psychologists
23 Licensing Fund, and the Respiratory Care Practitioners Fund, on
24 July 1, 2004, shall be transferred to the Professional and
25 Occupational Credentialing Cash Fund.

26 Sec. 11. Original section 71-163, Reissue Revised
27 Statutes of Nebraska, is repealed."